

Survey: Despite Continued Challenges, Small Businesses Are Optimistic About 2024

75% of small business owners are optimistic about their financial trajectory in 2024, even as access to capital, inflation and workforce challenges persist

Optimism for 2024 after a Challenging 2023

Small business owners are optimistic, expecting to grow and create jobs after navigating a very difficult 2023

Thinking back on the last four years, which was the most difficult for your business?

2020: 35%

2021: 14%

2022: 14%

2023: 33%

Don't Know: 4%

75% of small businesses are optimistic about the financial trajectory of their business in 2024

57% expect to create new jobs

62% expect to increase profits

Thinking about the last four years and the upcoming year, which do you expect to be most profitable?

2020: 5%

2021: 10%

2022: 12%

2023: 10%

2024: 52%

Don't Know: 10%

The Small Business Economy

28% of small business owners say the economy is good or excellent – up 9 points from three months prior – even as inflationary pressures continue to increase

State of the economy

Excellent: 2% (Oct 2023: 1%)

Good: 26% (Oct 2023: 18%)

Fair: 44% (Oct 2023: 48%)

Poor: 21% (Oct 2023: 25%)

Very poor: 6% (Oct 2023: 8%)

Don't Know: 1%

Compared to three months ago, have inflationary pressures on your business increased, decreased or stayed the same?

Increased: 71%
Stayed the same: 25%
Decreased: 3%
DK: 1%

Is your business considering cutting jobs in the next three months due to economic conditions?

Yes: 22%
No: 67%
DK: 11%

Credit Crunch Continues

Small business owners continue to be concerned about their ability to access capital as high interest rates may be exacerbated by a Federal Reserve proposal – Basel III Endgame – to tighten capital

77% of small business owners are concerned about their ability to access capital
(Oct 2023: 78%)

Given current interest rates, can your business currently afford to take out a loan?

Yes: 32%
No: 53%
DK: 16%

86% say if access to capital continues to tighten, it will impact their growth forecast
(Oct 2023: 85%)

Businesses reporting their growth forecast would be impacted say they might be forced to undertake actions such as:

62% halt expansion plans
43% lay off workers
38% end plans for strategic investments
21% close business

35% have applied for a new business loan or line of credit in the past year

79% of applicants have found it difficult to access affordable capital

40% of applicants received all of the funding they requested

28% of applicants have taken out a loan or line of credit with payment terms that felt predatory

Workforce Challenges: Help Wanted

A majority of small businesses are still hiring but are finding it difficult to find qualified candidates for job openings

Is your business currently hiring full-time or part-time employees?

Yes: 52% (Oct 2023: 50%)

No: 46% (Oct 2023: 49%)

DK: 1%

To what degree is your business finding it difficult to recruit qualified employees?

Difficult: 81% (Oct 2023: 79%)

Source: Survey of 1,459 Goldman Sachs *10,000 Small Businesses* participants conducted by Babson College and David Binder Research from January 15-19, 2024. The survey included small business owners from 48 U.S. states, Washington, D.C., and Puerto Rico.